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SUBJECT: MILLS AIDE DISCUSSES RULING PARTY DIVISIONS,  
ANTI-CORRUPTION EFFORTS

Classified By: Ambassador Donald Teitelbaum for reasons 1.4 (b) and (d)

Summary

1. (C) A senior Presidential aide said that President Mills has faced a challenging first year in office, dealing with economic difficulties and managing high expectations from National Democratic Congress (NDC) party faithful. He said Mills is determined not to repeat the ethical lapses of the previous New Patriotic Party (NPP) administration, but that there is pressure within the NDC to "deal with" perceived corruption of NPP officials; pressure that Mills has resisted due to concerns that actions would be perceived as partisan. The aide said that economic priorities include imposing fiscal discipline and expanding agricultural production. He conceded that the Mills government has been vulnerable to criticism as it has not done a great job explaining itself to the Ghanaian public. This has allowed critics - including some within the NDC such as former President Rawlings - to take the initiative in criticizing the pace of the Mills Administration. End Summary.

A Challenging First Year in Office

2. (C) In a November 23 meeting with POL Chief, Presidential spokesman Mahama Ayariga said that in managing a difficult transition in the NDC's first year back in power, President Mills has faced internal challenges relating to his style of leadership, managing expectations of party supporters, the weak economy, and the precedent of patronage set by previous administrations. Due to the strict ethical limits that Mills has set for ministers and officials (and the example he has set by firing three ministers in 2009), Ayariga said that there has been some internal dissent and protest within the NDC. However, he said that Mills was determined to project transparency and not repeat the ethical lapses of previous governments, even if that means he only serves for one term.

3. (C) Despite rumors of rifts within the NDC, Ayariga said relations between the government and party leadership were good, and that the NDC leadership had been consulted on almost every major appointment or policy decision. For example, he said that no regional minister or district chief executive appointments were made without the input of the party's national and regional leadership, and noted that two ministers (Trade and Communications) and two regional ministers (Eastern and Central Regions) previously served on the NDC's National Executive.

4. (C) However, Ayariga admitted problems between radicals and conservatives in the party, suggesting that these differences could manifest themselves at the NDC's party congress in January at which party leadership positions will be chosen. Ayariga acknowledged criticism leveled at the government for moving slowly in its first year in office, and conceded that the Mills administration has not done well in explaining itself to the Ghanaian public. (Note: Ayariga admitted that personality problems between members of the

President's communications team have adversely affected coordination. Ayariga specifically noted strained relations between himself, Director of Presidential Communications Koku Anyidoho, and Information Minister Zita Okaikoi. End Note).

15. (C) On December 2, the (NDC) Majority Leader in Parliament, Alban Bagbin, gave a radio interview in which he criticized the government's slow pace, and said Mills' advisors were not giving him good advice. On December 7, Bagbin told POL FSN that former President Rawlings has been correct in his public criticism, stressing that the Administration's decision-making process is too slow and that Mills has not been aggressive enough in prosecuting corruption cases.

#### Corruption & Narcotics

16. (C) Ayariga noted that Mills has been under intense pressure from "radical" elements in the NDC to "deal with" perceived corrupt officials from the previous NPP administration. This pressure has grown as Mills has forced out three ministers from his own government for corruption allegations. However, Ayariga said Mills has resisted this pressure due to his sensitivity to NPP claims of partisan persecution or human rights abuses. Nevertheless, Ayariga said that the results of audits of municipal and district assemblies under the NPP government have raised serious concern within the Mills government, and that pressure could grow within the government to address these issues.

17. (C) Ayariga stressed that Mills is determined to respect

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the rule of law and human rights, and that Mills has little tolerance for corruption among government officials. He said that the President is seeking to build a culture of integrity in public institutions and to attract honest people to public service.

18. (C) On narcotics, Ayariga said Mills believes drugs have a debilitating effect on society, undermining government and law enforcement institutions. He cited Mills' decision to review and expand the law on Assets Declaration for senior officials and to support the Freedom of Information Bill as examples of initiatives to promote transparency. Ayariga noted that the President is keenly interested in maintaining and increasing foreign technical assistance to address both corruption and narcotics trafficking in Ghana, and is looking to further develop law enforcement and intelligence cooperation with countries that share these objectives.

#### The Economy

19. (C) Ayariga said the NDC inherited a difficult economic situation when it took office, with deficits exceeding 17% of GDP. He said that government indebtedness to contractors was triple the amount disclosed during the transition, with many contracts awarded and payment claims issued just before the presidential run-off. Ayariga said many of these contracts are tainted with fraud, yet the contractors are pressing the government to honor payments.

110. (C) Ayariga said that the government is focused on promoting transparency that would inspire investor confidence in key sectors, and - in the short term - on ensuring fiscal discipline to narrow the deficit.

111. (C) The government is also emphasizing expanding and mechanizing agriculture to boost production, create jobs, and increase the food supply. The government, Ayariga said, is investing in high yield seeds, extending low interest credit to farmers, expanding extension services, and offering subsidies on fertilizers and other farming inputs. Ayariga said the GOG wants to tap into the hydrocarbon industry to

produce fertilizer locally. He added that the Brazilian government will support GOG agricultural efforts by providing 2000 tractors.

Parliament

¶12. (C) Ayariga said that many GOG institutions are not functioning at their potential. He said the Parliament is extremely weak, and has been compromised by the executive into a highly subordinate role. Most MPs expect this relationship to continue, and many, he said, are more interested in cars and personal benefits than building an effective legislature that can check excessive executive power or play a significant policy role. (Note: Until the 2008 election Ayariga himself served as an MP for Bawku in the Upper East region. End Note). Nevertheless, Ayariga said that President Mills is committed to making Parliament more accountable and independent, and cited the President's initiation of a constitutional reform process as evidence of his commitment to reform.

Comment

¶13. (C) Ayariga's comments illustrate the challenge Mills faces from within his party and from outside critics. These challenges could come into sharp focus as the NDC holds its national party congress in mid-January, at which point it will choose executives to lead the party toward the 2012 elections. NDC insiders, including influential former President Rawlings, understand that the NDC's slim victory margin provides no guarantee of a second term. While Mills has taken a strong position on issues such as corruption, his administration's inability to effectively communicate its overall policy approach, and a genuinely slow decision making process, has allowed critics - including Rawlings and Parliamentary leader Bagbin - to define the public debate. End Comment.

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